



FOR CLERK USE ONLY
 City Council
 Item No. 8

CITY COUNCIL AGENDA FACT SHEET

City Attorney (Mayor's request) _____

May 18, 2010

Department _____

Requested Date _____

1. Request:

Council Approval ☒

Other (specify) ☐

Information Only/
Presentation ☐

Hearing ☐

2. Requested Action:

Resolution Related to Payment by RDA of SERAF

3. Fiscal Impact:

Revenue:

Increase ☐

Decrease ☐

Cost:

Increase ☒

Decrease ☐

Does Not Apply ☐

Source: _____

Amount: \$ _____

Source: _____

Amount: \$ _____

RDA funds

4. Reviewed By:

Finance Dept. on _____

By: _____

Comments: _____

City Attorney on _____

5-10-10

By: _____

Comments: _____

Note: Back up must be submitted along with this form. Deadline is 5:00 p.m., 2 Fridays before the scheduled meeting date.

CLERK USE ONLY:

CITY COUNCIL DATE: _____

Action ☐

Consent ☐

Hearing ☐

Filing ☐

Presentation ☐

Other(specify) _____

Reviewed by: City Clerk _____

Date _____

City Manager _____

Date _____

**CITY COUNCIL/REDEVELOPMENT AGENCY
AGENDA REPORT**

SUBJECT: RESOLUTION REQUESTING THAT THE GOVERNOR EXEMPT THE CITY OF CALEXICO/COMMUNITY REDEVELOPMENT AGENCY FROM PAYMENT OF THE 2009-2010 SERAF PAYMENT DUE TO THE RECENT DISASTER WITHIN THE CITY

AGENDA DATE: May 18, 2010

PREPARED BY: Jennifer Lyon, City Attorney (requested by Mayor Ouzan)

APPROVED FOR AGENDA BY: Victor Carrillo, City Manager

RECOMMENDATION: Consider the attached resolution.

BACKGROUND INFORMATION: In July 2009, the State Legislature enacted a package of bills during a special session called to address a fiscal emergency declared by the Governor. Among the bills approved at the special session which provide for a shift of funds during fiscal years 2009-2010 and 2010-2011 was Assembly Bill 26 which created Health and Safety Code 33690. Health and Safety Code section 33690 requires that the Redevelopment Agency of the City of Calexico pay \$1,683,755 to the County Auditor for deposit in the County's Supplemental Educational Revenue Augmentation Fund ("SERAF") for fiscal year 2009-2010 for use by school districts and county offices of education located within RDA project areas. The California Redevelopment Association challenged the constitutionality of this state law in Superior Court, and the judge ruled on May 4, 2010 to uphold the law which required redevelopment agencies to remit the payment on or before May 10, 2010. The City of Calexico made its payment on May 10, 2010.

CURRENT CONSIDERATION: On April 4, 2010, the City of Calexico experienced a magnitude 7.2 earthquake that caused millions of dollars worth of public and private damage causing the City, County, State and Federal to declare a state of emergency within the City. Much of the damage within the City occurred within the Redevelopment Project Area and to low income housing units. There is a potential for certain Redevelopment Agency funds to be used to repair and rehabilitate certain buildings and residences to eliminate blight and to get low income seniors back into their residences. Further, the City has declared a fiscal emergency in the last two fiscal years and the projected budget shortfall to provide essential City services for fiscal year 2010-2011 is approximately \$5.4 million.

Health and Safety Code section 33690 does not appear to have a financial hardship waiver. Therefore, the City/RDA would like to consider the attached resolution requesting that the Governor exempt the City of Calexico from payment of this amount. Due to the recent earthquake, the City cannot afford to provide RDA funds to any other entity. Such funds could be used to help rebuild the damage from the earthquake and are urgently needed within the City.

RESOLUTION NO. 2010-

RESOLUTION REQUESTING THAT THE GOVERNOR EXEMPT THE CITY OF CALEXICO/COMMUNITY REDEVELOPMENT AGENCY FROM PAYMENT OF THE 2009-2010 SERAF PAYMENT DUE TO THE RECENT DISASTER WITHIN THE CITY

WHEREAS, Health and Safety Code 33690 requires that the Redevelopment Agency of the City of Calexico pay \$1,683,755 to the County Auditor for deposit in the County's Supplemental Educational Revenue Augmentation Fund ("SERAF") for fiscal year 2009-2010 and a State court has recently upheld the legality of the law; and

WHEREAS, on April 4, 2010, the City of Calexico experienced a magnitude 7.2 earthquake that caused millions of dollars worth of public and private damage causing the City, County, State and Federal governments to declare a state of emergency within the City; and

WHEREAS, much of the damage within the City occurred within the Redevelopment Project Area and to low income housing units; and

WHEREAS, Redevelopment Agency funds may be used to repair and rehabilitate certain buildings and residences to eliminate blight and to get low income seniors back into their residences; and

WHEREAS, the City currently has over 300 displaced residents, most of whom are very low-income senior residents who are dependent on RA funds for shelter and would be left homeless without these funds;

NOW, THEREFORE, be it resolved that the **City Council of the City of Calexico** declares its opposition to implementation and enforcement of Health and Safety Code Section 33690; and,

BE IT FURTHER RESOLVED, the City Council hereby requests that the Governor declare that the City of Calexico/Community Redevelopment Agency of the City of Calexico is exempt from the 2009-2010 SERAF payment as required by Health and Safety Code section 33690 due to the state of emergency that continues to exist within the City and to allow the City to use such funds to rebuild the City if allowed by Redevelopment Law. The City Council hereby directs the City Clerk to send a copy of this resolution to California Governor Arnold Schwarzenegger.

PASSED, APPROVED, AND ADOPTED at the regular meeting of the City Council of the City of Calexico this 18th day of May, 2010.

DAVID B. OUZAN, MAYOR

ATTEST:

LOURDES CORDOVA, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF IMPERIAL) SS.
CITY OF CALEXICO)

I, LOURDES CORDOVA, CITY CLERK OF THE CITY OF CALEXICO, DO
HEREBY CERTIFY THAT THE ABOVE FOREGOING RESOLUTION NO. 2010-
____, WAS DULY PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY
OF CALEXICO ON THIS 18th DAY OF MAY, 2010 BY THE FOLLOWING VOTE,
TO WIT:

AYES:
NOES:
ABSENT:

LOURDES CORDOVA, CITY CLERK